

Landowner Fact Sheet:

The Conservation Easement from Start to Finish

You have expressed your interest in conserving open, forested, ecologic or other conservation values in your land. In response, The Pacific Forest Trust (PFT) has offered to provide you with some basic information on the kinds of techniques available for land conservation, as well as an overview of the potential tax benefits for each approach. In addition, the PFT can provide you with an outline of its purposes and the criteria used in evaluating land conservation proposals presented to us.

In reviewing your options among the tools of land conservation, let's assume you've decided you're interested in placing a conservation easement on your property and donating it to The Pacific Forest Trust.

What are the steps in the easement process itself?

- Obtain and review the IRS regulations in regard to conservation easements to familiarize yourself with the standards they will utilize in determining the acceptability of your easement donation as a charitable deduction. A copy of the regulations is available from PFT.
- Complete a Project Application form and send it to the PFT with any available maps, title reports, appraisals, wildlife or plant surveys, or other descriptions of the location and nature of your property. Be sure to include information about other easements and encumbrances on your land, including outstanding mortgages.
- A PFT Land Project staff person will contact you to review your application and make arrangements to visit your land with you at a mutually convenient time to begin discussing the details of your conservation objectives. Your PFT liaison will discuss with you the land trust's Forest Stewardship Fund and answer other questions you may have on the basics of conservation easements.
- You should meanwhile consult with a tax and legal advisor as you proceed with the easement process so you are fully informed by them of the tax and legal issues you and your family need to address.
- Your PFT liaison will then present your proposed project to the PFT Board. The Board will determine the appropriateness of your project within the scope of the PFT forestland conservation project criteria.
- With the Board's preliminary approval of your project, your PFT liaison will get back together with you to continue gathering data about your property so that together we can agree upon the Conservation Plan that will form the basis for the easement drafting. The Conservation Plan will describe the property, including existing and projected land uses, especially as they relate to forest management, with identification of the specific conservation values to be protected, and an outline of the means of protection. The means of protection will include a description of activities that may be prohibited or limited; and the rights that will be retained by the landowner.

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- In preparing this plan, you may need to consult other professionals and experts, e.g., wildlife biologists, botanists, soils analysts, surveyors, etc. The PFT will seek to assist the you in contacting public agencies and scientific or environmental organizations that may be useful in this process.

- When you and the PFT are satisfied with the Conservation Plan, the PFT will draw up a first draft of the conservation easement itself and send it to you and your lawyer for your review and suggestions.

- You are responsible for providing the necessary information that may be required to accompany the easement and complete the "baseline data" or land description required by the PFT and the IRS. The PFT will assist you if requested in compiling this data, which both parties will then certify as an accurate presentation of the property at the time of the easement donation.

- If you are planning to seek an income tax deduction based on your easement donation, the IRS requires you to obtain a qualified appraisal of your property, reflecting its value both before the easement is in effect and after, so as to determine the value of your tax deduction. (Please note, the appraisal requirement is waived if the donation value is less than \$5000.) We can provide you with information about easement appraisals and names of appraisers we know of who have experience with easements in the area.

- Your counsel will prepare or review the final draft of the easement after negotiations between you and the PFT are concluded.

- The completed easement will then be signed by both parties and recorded with the counties in which the land is located.

- You will be encouraged to make a contribution to our Forest Stewardship Fund to ensure that the PFT has the means to fulfill its obligation to you to protect your land through time.

- If you are seeking a tax deduction based on your easement donation, you and the PFT will complete IRS Form 1283 for you to file with your federal income tax return. This form must be signed by you, the PFT and the appraiser.

- The PFT will monitor the terms of your easement at least annually, or otherwise, as the easement may require.

- After the annual review, the PFT will file a Certification of Annual Easement Compliance with the appropriate County Clerks.